

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT NO. 2407.

LISTED NOVEMBER 19, 1969.
2,472,384 Common Shares without par value, all of which are issued and outstanding.
Stock Symbol "NFL".
Post Section 10.
Dial Quotation No. 2316.

fl

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

NEWFOUNDLAND LIGHT & POWER CO. LIMITED

Incorporated under the Laws of the Province of Newfoundland by
Articles of Association dated September 8, 1966.

CAPITALIZATION AS AT SEPTEMBER 26, 1969.

| SHARE CAPITAL | AUTHORIZED | ISSUED AND OUTSTANDING | TO BE LISTED |
|---|------------|---------------------------|--------------|
| Cumulative redeemable Preference Shares of a par value of \$10.00 each, issuable in series | 1,000,000 | | |
| 5½ % series A redeemable at the option of the Company at a premium of 5% of the par value thereof | | 200,000 | |
| 5¼ % series B redeemable at the option of the Company at a premium of 5% of the par value thereof | | 350,000 | |
| 6% series C redeemable at the option of the Company at a premium of 6% of the par value thereof | | 21,430 | |
| | 1,000,000 | 571,430 | Nil |
| Common shares without nominal or par value | 3,500,000 | 2,472,384 | 2,472,384 |
| FUNDED DEBT | | | |
| First mortgage sinking fund bonds | | \$29,248,340 | |
| General mortgage sinking fund bonds | | 3,904,000 | |
| Sundry indebtedness | | 256,000 | |
| | | \$33,408,000 | |

1. APPLICATION

NEWFOUNDLAND LIGHT & POWER CO. LIMITED (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 2,472,384 common shares without nominal or par value in the capital stock of the Company, all of which have been issued and are outstanding as fully paid and non-assessable.

2. HISTORY—INCORPORATION

The Company was formed on September 8, 1966, by a certificate of amalgamation under the Companies Act (Newfoundland) of Newfoundland Light and Power Company, Limited ("Newfoundland Light"), The Union Electric Light and Power Company, Limited ("Union Electric"), United Towns Electric Company, Limited ("United Towns"), The Public Service Electric Company, Limited ("Public Service"), and The West Coast Power Company, Limited ("West Coast") pursuant to an Amalgamation Agreement dated June 2, 1966, and approved by the Supreme Court of the Province of Newfoundland by an Order of the Honourable Mr. Justice Puddester dated September 6, 1966. The address of the head office and principal office of the Company is Kenmount Road, St. John's, Newfoundland.

The predecessor, Newfoundland Light, was incorporated as the St. John's Street Railway Company in 1896. Its name was changed to St. John's Light and Power Company in 1920, and to Newfoundland Light and Power Company, Limited, in 1924. During the years prior to the amalgamation it distributed power in St. John's, in Central Newfoundland, in the Corner Brook-Deer Lake area, and in Baie Verte and Springdale. Newfoundland Light generated all its own power except for the power it purchased for distribution in the four last named centres. Union Electric was incorporated in 1916. It generated and distributed power in Clarenville and on the Bonavista Peninsula. United Towns was incorporated in 1902. It acquired the Conception Bay Electric Company in 1914, Wabana Light and Power Company Ltd. in 1931, Public Service in 1932, and incorporated West Coast in 1944, of which only the last two were in existence at the time of amalgamation. United Towns distributed power on the Avalon Peninsula outside St. John's, on Bell Island, excluding the mining operations, and on the Burin Peninsula. Public Service, its wholly-owned subsidiary, owned a hydro-electric plant on the Avalon Peninsula, the entire output of which was purchased by the parent company. West Coast generated and distributed power in the west coast areas of Port aux Basques and the Port-au-Port Peninsula.

3. NATURE OF BUSINESS

The Company and its predecessors have been engaged in the production and sale of electricity in the Province of Newfoundland since 1900. It holds all the rights and franchises granted the predecessor companies and distributes electricity in areas containing approximately 75% of the population of the Province. The areas served are the Avalon, Burin and Bonavista Peninsulas, the area from Badger to Bonavista Bay, Springdale, Baie Verte, the Corner Brook-Deer Lake area, the Stephenville-St. Georges area, and Port aux Basques.

In 1968 the Company produced 54% of the total energy required by the system in its own generating plants. 32% was supplied by the Newfoundland and Labrador Power Commission and the remaining 14% by The Bowater Power Company Limited. The Newfoundland and Labrador Power Commission supplies power to the Company at various points of delivery under a single contract. The Bowater Power Company Limited supplies the Company at several points under three contracts. These four contracts have been approved by the Board of Commissioners of Public Utilities.

In 1958 the Newfoundland Government introduced a Rural Electrification Plan under which the Province provided line extensions to outlying communities and so made it possible for the Company to transmit power from its main system into areas which could not otherwise be served. In 1965, under the terms of an agreement with the Government, the predecessor Newfoundland Light and Power Company, Limited, agreed to acquire, for a nominal monetary consideration, the title to the rural extensions constructed under the program. Title to the rural extensions made from the systems of the other predecessor companies had remained with the Provincial Government, although the lines were being operated by the Company. In 1967 the Provincial Government decided to assume full operating responsibility for approximately 60% of these rural extensions. However, in 1968 this decision was reviewed and by further agreement, and for nominal monetary consideration, title to a number of such lines was transferred to the Company, together with full operating responsibility. In all cases the Government holds an option to re-acquire at any time the property transferred in 1965 and thereafter with payment for the value of extensions and improvements made by the Company. It has been arranged for the Company to make further extensions in certain rural areas under a cost-sharing arrangement with the Government.

The Company serves a diversified market with total sales in 1968 of 735 million kilowatt hours compared with 425 million kilowatt hours in 1964. Total revenue from operations increased to \$16,157,000 in 1968 from \$11,063,000 in 1964. The following tabulation compares gross revenue, sales, and the number of customers served for each year from 1964 to 1968.

| | Gross Revenue Thousands of Dollars | Kilowatt Hours Sold Millions | Number of Customers At Year End |
|------|---------------------------------------|---------------------------------|---------------------------------------|
| 1968 | 16,157 | 735.0 | 96,354 |
| 1967 | 15,220 | 643.4 | 90,407 |
| 1966 | 13,766 | 523.5 | 88,951 |
| 1965 | 12,453 | 467.1 | 84,455 |
| 1964 | 11,063 | 424.7 | 80,428 |

The tabulation above includes sales made under extraordinary circumstances to three temporary customers. In 1968 such sales were 5,234,000 Kwh and corresponding revenue \$39,000; in 1967, 41,457,000 Kwh and \$329,000; and in 1966, 6,973,000 Kwh and \$98,000. Service is no longer being provided to any of these customers.

The electric space heating market continues to grow rapidly. In the first eight months of 1969 the total number of electrically heated housing units increased from 2,502 to 3,007 and it is expected that the total will be about 3,150 at the end of 1969. Commercial and institutional space heating installations increased from 342 at the end of 1968 to 374 at the end of August, 1969.

The Company operates under the jurisdiction of the Board of Commissioners of Public Utilities of the Province of Newfoundland, which has jurisdiction, among other things, over rates, capital expenditures and the issue of securities.

By Order No. 9 (1967) dated March 31, 1967, the Board ordered a rate base for the Company and rates of depreciation. Subsequently, by interim Order No. 15 (1967) dated June 29, 1967, the Board rationalized the various rate schedules of the predecessor companies into a single consistent rate schedule. These interim rates which temporarily reduced the revenues of the Company became effective on various dates commencing on August 1, 1967, and remained in effect until the rates ordered by the Board under Order No. 32 (1968) of November 5, 1968, became effective on December 1, 1968. The rate base was up-dated by Order No. 32 (1968), which set the average rate base for the year ending December 31, 1967, at \$59,190,000. The rate base mainly includes net fixed assets less contributions in aid of construction and deferred income taxes plus an allowance for working capital. The Board further ordered in its Order No. 32 that a just and reasonable return for the Company lies between 7¼ % and 8% on the average rate base; that the Company shall charge uniform rates throughout its inter-connected service area for each class of service furnished, such rates becoming effective with respect to bills rendered on meter readings of the Company made on or after December 1, 1968.

Powers contained in the Acts of Incorporation of the predecessor companies and other Statutes of Newfoundland permit the Government of Newfoundland to purchase certain of the undertakings, plants, property, assets and rights pertaining to these predecessor companies except for the system serving the City of St. John's where the City has rights to purchase. The systems covered by such statutory powers include the systems of Newfoundland Light which served the City of St. John's, the Corner Brook area, and the Grand Falls area; the systems of United Towns which served the Conception Bay area and the Burin Peninsula; the system of Union Electric which served the Bonavista Peninsula; and the systems of West Coast which served the Stephenville-Port aux Basques areas. Details with respect to notice, effective date of purchase, determination of value set out in the applicable Statutes.

4. SHARES ISSUED IN LAST TEN YEARS

1) On August 16, 1963, each of the 176,273 outstanding common shares of the predecessor company, Newfoundland Light and Power Company, Limited, were subdivided into ten fully paid common shares without nominal or par value.

2) The predecessor company, United Towns Electric Company, Limited issued common shares without nominal or par value as follows:

| <u>Date of Issue</u> | <u>No. of Shares</u> | <u>Amount Realized per Share</u> | <u>Total Realized</u> | <u>Purpose of Issue</u> |
|----------------------|----------------------|----------------------------------|-----------------------|--|
| 1960 | 250 | \$12.00 | \$ 3,000 | Issued to the then newly appointed General Manager. |
| 1961 | 8,025 | | | Issued on conversion of \$107,000 principal amount of 6¼ % series A convertible debentures. |
| 1962 | 5,550 | | | Issued on conversion of \$74,000 principal amount of 6¼ % series A convertible debentures. |
| 1963 | 5,000 | 10.00 | 50,000 | Issued under the terms of an option to a newly appointed Managing Director. |
| | 25,800 | | | Issued on conversion of \$344,000 principal amount of 6¼ % series A convertible debentures. |
| 1964 | 28,333 | 10.00 | 283,330 | Issued under terms of an option to the Managing Director, Vice-President, and Secretary-Treasurer. |
| | 5,700 | | | Issued on conversion of \$76,000 principal amount of 6¼ % series A convertible debentures. |
| 1965 | 11,700 | | | Issued on conversion of \$156,000 principal amount of 6¼ % series A convertible debentures. |
| 1966 | 34,855 | | | Issued on conversion of \$467,000 principal amount of 6¼ % series A convertible debentures. |

3) On September 8, 1966, all the outstanding shares of the present company were issued in exchange for the outstanding common shares of the predecessor companies on the following basis:

- Each of the 1,762,730 outstanding common shares without nominal or par value of Newfoundland Light and Power Company, Limited, were exchanged for one fully paid common share without nominal or par value, of the present company.
- Each of the 3,160 outstanding common shares of a par value of \$10.00 each of Union Electric Light and Power Company, were exchanged for thirty-four fully paid common shares without nominal or par value, of the present company.
- Each of the 401,476 outstanding common shares of a par value of \$10.00 each, of United Towns Electric Company, Limited were exchanged for one and one half fully paid common shares without nominal or par value, of the present company.

5. STOCK PROVISION AND VOTING RIGHTS

The Preference Shares confer upon the holders thereof the right to fixed, cumulative, preferential, cash dividends payable in quarterly instalments, at such rate as may be determined by the Directors in respect to such series prior to allotment—(dividends on the outstanding series A, B, and C Preference Shares are payable February, May, August and November).

In the event of liquidation, dissolution or winding-up, the holders of Preference Shares are entitled to receive the par value of such shares together with all unpaid preferential dividends and a premium fixed for that purpose in respect of each series prior to allotment.

The Preference Shares may be redeemed upon thirty days' notice in whole or in part at the par value thereof and such premium as may have been fixed for that purpose prior to allotment.

The Preference Shares confer upon the holders thereof one vote for each share held.

The Common Shares confer upon the holders thereof one vote for each share held.

6.

DIVIDEND RECORD

Common

| | <u>1968</u> | <u>1967</u> | <u>1966</u> | <u>1965</u> | <u>1964</u> | <u>1963</u> | <u>1962</u> | <u>1961</u> | <u>1960</u> | <u>1959</u> |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Present Company | \$0.50 | 0.475 | 0.10 | | | | | | | |
| Predecessor Companies | | | | | | | | | | |
| Newfoundland Light .. | | | 0.30 | 0.36 | 0.28 | 0.24 | 0.24 | 0.21 | 0.20 | 0.185 |
| Union Electric | | | 1.167 | 1.00 | 1.00 | 0.70 | 0.70 | 0.70 | 0.50 | 0.50 |
| United Towns | | | 0.533 | 0.70 | 0.50 | 0.50 | 0.40 | 0.80 | 0.80 | 0.80 |

Preferred dividends have been paid as they came due and in their stated amounts each year since the date of issue.

7.

PROPERTY AND PLANT

The Company's entire power supply is provided at a frequency of 60 cycles per second partly by its own plants and partly by those of the Newfoundland and Labrador Power Commission and The Bowater Power Company Limited in accordance with the terms of contracts between the Company and each of these entities. In all, the Company owns and operates hydro plants of a total installed capacity of 111,700 horsepower, a steam plant of 40,000 horsepower capacity, diesel plants aggregating 19,600 horsepower capacity, and a gas turbine of 19,000 horsepower. Each of the Company's service areas are generally served as follows:

- (a) Avalon Peninsula: Power is supplied to the Company's system on the Avalon Peninsula from its own hydro plants and from the Commission at Whitbourne and St. John's. Standby generating facilities for the area include the Company's St. John's steam plant and diesel plant.
- (b) Bonavista Peninsula and Central Newfoundland: Power is supplied to the Company's system between Clarenville and Badger including the Bonavista Peninsula from the Company's hydro plants and from the Commission at Sunnyside near Clarenville, and at a second point near Grand Falls. The Company maintains its Gander diesel plant as standby.
- (c) Burin Peninsula: The Company operates three small hydro plants on the Burin Peninsula but the principal supply is purchased from the Commission at Marystown. In addition, the Company maintains its Salt Pond diesel plant and a 19,000 horsepower gas turbine at the same site, both for standby purposes.
- (d) Baie Verte-Springdale: The entire supply for the Baie Verte-Springdale area is purchased from Bowater Power at two delivery points.
- (e) Corner Brook-Deer Lake: The entire supply for the Corner Brook-Deer Lake area is purchased from Bowater Power at three delivery points.
- (f) Stephenville-St. Georges: The Stephenville-St. Georges area is supplied by the Company's Lookout Brook hydro plant and by the Commission at one supply point. The Company maintains its Aguathuna diesel plant as standby.
- (g) Port aux Basques: The supply for Port aux Basques is being purchased from the Commission at one delivery point. The Company maintains a diesel plant for standby purposes in the town.

The Company owned 747 miles of transmission lines and 2,800 miles of distribution lines at the end of 1968.

8.

SUBSIDIARY COMPANIES

The Company owns two inactive subsidiary companies as follows:

NEWFOUNDLAND ELECTRIC COMPANY LIMITED

Incorporation—

Incorporated under the laws of the Province of Newfoundland by Memorandum of Association, dated December 31, 1929.

Nature of business—

The Company is inactive and not engaged in any business.

Capital Stock—

The authorized capital of the Company is 50 common shares of \$100.00 each, of which four shares have been issued and in the custody of the Company.

NEWFOUNDLAND INDUSTRIES LIMITED

Incorporation—

Incorporated under the laws of the Province of Newfoundland by Memorandum of Association, dated October 31, 1946.

Nature of business—

The Company is inactive and not engaged in any business.

Capital Stock—

The authorized capital of the Company is 1,000 common shares of \$100.00 each, of which 100 shares have been either issued to or in the custody of the Company.

9. FUNDED DEBT

| Description of Issue | Aggregate Amount Authorized | Principal Amount Outstanding | Maturity Date | Interest Dates |
|---|-----------------------------------|------------------------------------|-------------------|---------------------|
| First mortgage sinking fund bonds | | | | |
| 3¼ % series A | \$ 1,500,000 | \$ 1,500,000 | October 1, 1970 | April 1-October 1 |
| 5 % " B | 2,371,500 | 2,310,500 | December 1, 1972 | June 1-December 1 |
| 4 % " C | 1,370,000 | 1,331,000 | December 1, 1975 | June 1-December 1 |
| 5½ % " D | 2,407,000 | 2,286,000 | December 1, 1978 | June 1-December 1 |
| 5¾ % " E | 3,000,000 | 3,000,000 | June 1, 1984 | June 1-December 1 |
| 5½ % " G | 522,000 | 444,000 | August 1, 1972 | February 1-August 1 |
| 4¾ % " H | 910,000 | 836,000 | May 1, 1981 | May 1-November 1 |
| 5¾ % " I | 1,840,000 | 1,732,500 | May 15, 1982 | May 15-November 15 |
| 5¾ % " J | 1,175,000 | 1,137,500 | November 1, 1983 | May 1-November 1 |
| 7 % " K | 1,900,000 | 1,823,000 | May 1, 1985 | May 1-November 1 |
| 6½ % " L | 960,000 | 939,000 | May 1, 1986 | May 1-November 1 |
| 5¾ % " M | 2,700,000 | 2,603,340 | June 1, 1990 | June 1-December 1 |
| 4¼ % " N | 905,000 | 790,000 | November 15, 1974 | May 15-November 15 |
| 5½ % " O | 270,000 | 203,000 | August 1, 1977 | February 1-August 1 |
| 6¼ % " P | 300,000 | 275,000 | June 1, 1981 | June 1-December 1 |
| 5 % " Q | 187,430 | 179,500 | July 1, 1972 | January 1-July 1 |
| 7 % " R | 5,000,000 | 4,907,000 | October 1, 1986 | April 1-October 1 |
| 7¾ % " S | 3,000,000 | 2,951,000 | January 15, 1988 | January 15-July 15 |
| | <u>\$30,317,930</u> | <u>\$29,248,340</u> | | |
| General mortgage sinking fund bonds | | | | |
| 4½ % " B | 2,229,000 | 2,124,000 | December 1, 1974 | June 1-December 1 |
| 5½ % " C | 1,840,000 | 1,780,000 | June 1, 1978 | June 1-December 1 |
| | <u>4,069,000</u> | <u>3,904,000</u> | | |
| | <u>\$34,386,930</u> | <u>33,152,340</u> | | |
| Obligation re purchase of property payable in 7 annual instalments of \$12,000 each and \$172,000 in 1978 | | 256,000 | | |
| | | <u>\$33,408,340</u> | | |

10. OPTIONS, UNDERWRITINGS, ETC.

The Company has no outstanding options, underwritings, sale agreements, or other contracts or agreements of a like nature with respect to any unissued shares or any issued shares held for the benefit of the Company.

11. LISTING ON OTHER STOCK EXCHANGES

The Company's outstanding Common Shares have been listed on the Montreal Stock Exchange since September, 1966. The Company's Preferred Shares are not listed on any Exchange.

12. STATUS UNDER SECURITIES ACTS

All issues of first and general mortgage sinking fund bonds by the Company have, from time to time as required by law, been registered with the Ontario Securities Commission and other appropriate securities commissions in Canada.

13. FISCAL YEAR

The fiscal year of the Company ends on December 31st in each year.

14. ANNUAL MEETINGS

The Articles of Association of the Company provide that its ordinary general meetings shall be held in every calendar year not more than fifteen months after the holding of the last preceding ordinary general meeting. The last ordinary general meeting of the Company was held on May 14, 1969.

15. HEAD AND OTHER OFFICES

The registered office of the Company is Kenmount Road, St. John's, Newfoundland, with divisional offices throughout Newfoundland.

16.

TRANSFER AGENT

The transfer agent of the Company is:

Montreal Trust Company at its offices in St. John's, Halifax, Montreal, Toronto, Calgary and Vancouver.

17.

TRANSFER FEE

No fee is charged on stock transfers other than the customary government stock transfer taxes.

18.

REGISTRAR

The registrar of the Company is:

Montreal Trust Company at its offices in St. John's, Halifax, Montreal, Toronto, Calgary and Vancouver.

19.

AUDITORS

The auditors of the Company are:

John R. Parsons & Company
Chartered Accountants
St. John's Newfoundland
Riddell, Stead & Co.
Chartered Accountants
Montreal, Québec

20.

MANAGEMENT OF COMPANY

The names and home addresses in full of the directors and officers of the Company and the positions and offices held by each and their principal occupations within the five preceding years are as follows:

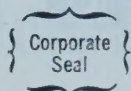
| <u>Name and Address</u> | <u>Office</u> | <u>Principal Occupation</u> |
|---|---------------------------------------|---|
| Vivian Arthur Ainsworth King's Bridge Court St. John's, Newfoundland | Director | Retired: (1966-June 30, 1968, General Manager, Newfoundland Light & Power Co. Limited) (1963-1966 General Manager, Newfoundland Light and Power Company, Limited) |
| Aaron Bailey Port Union, Newfoundland | Director and President | President, Newfoundland Light & Power Co. Limited: (1963-1966 President, The Union Electric Light and Power Company, Limited) |
| Alastair Duncan Cameron 70 Union Boulevard St. Lambert, Québec | Director | Civil Engineer, Montreal Engineering Company, Limited |
| Henry Collingwood King's Bridge Court St. John's, Newfoundland | Director | President, Baine, Johnston & Co. Ltd. |
| Alan Stark Gordon 3122 Daulac Road Westmount, Québec | Director | President, Royal Securities Corporation Limited |
| Albert Warren Howard 1380 Caledonia Road Town of Mount Royal, Québec | Director | President, Calgary Power Ltd: (1963-1965 Vice-President, Calgary Power Ltd.) |
| Douglas Charles Hunt, Q.C. 17 Winter Place St. John's, Newfoundland | Director | Barrister and Solicitor |
| Robert Elrick Innes 34 Topsail Road St. John's, Newfoundland | Director | Chairman of the Board, R. E. Innes (1963) Ltd. |
| Charles Franklin Mallory 3780 The Boulevard Montreal 217, Québec | Director and Executive Vice-President | Vice-President, Montreal Engineering Company, Limited: (1963-1968 Civil Engineer, Montreal Engineering Company, Limited) |
| Bernard Dawson Parsons Logy Bay Road St. John's, Newfoundland | Director | Retired: (1963-1966 President, Parsons & Landrigan Ltd.) |
| Ewart Arthur Pratt 140 Waterford Bridge Road St. John's, Newfoundland | Director | Chairman, Steers Limited |
| James Ernest Rorke Carbonear, Conception Bay Newfoundland | Director | Managing Director, The Rorke Fish & Coal Co., Limited |

| <u>Name and Address</u> | <u>Office</u> | <u>Principal Occupation</u> |
|---|--|--|
| Denis Stairs 841 Lexington Avenue Montreal, Québec | Director and Chairman of the Board | Chairman of the Board, Montreal Engineering Company, Limited: (1963-1966 Vice-President, Montreal Engineering Company, Limited) |
| David Smith Templeton 42 Roche Street St. John's, Newfoundland | General Manager | General Manager, Newfoundland Light & Power Co. Limited: (1966-June 30, 1968, Assistant General Manager, Newfoundland Light & Power Co. Limited): (1963-1966 Assistant General Manager, Newfoundland Light and Power Company, Limited) |
| Frederick Clyde Palmer Apt. 404, 100 Francois Park Nuns' Island Montreal 201, Québec | Comptroller and Assistant Secretary-Treasurer | Assistant Secretary, Montreal Engineering Company, Limited |
| John Benedict O'Keefe 208 Topsail Road St. John's, Newfoundland | Secretary | Secretary, Newfoundland Light & Power Co. Limited: (1963-1966 Vice-President, United Towns Electric Company, Limited) |
| George John Adams 10 Whiteway Street St. John's, Newfoundland | Treasurer | Treasurer, Newfoundland Light & Power Co. Limited: (1963-1966 Assistant Secretary-Treasurer, Newfoundland Light & Power Company, Limited) |

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, Newfoundland Light & Power Co. Limited hereby applies for listing of its common shares on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

NEWFOUNDLAND LIGHT & POWER CO. LIMITED



Per: "C. F. MALLORY",
Executive Vice-President

Per: "F. C. PALMER",
Assistant Secretary

DISTRIBUTION OF COMMON STOCK AS OF AUGUST 29, 1969

| Number | | Shares |
|--------------|------------------------------|-------------------------------|
| 415 | Holders of 1 — 24 share lots | 5,381 |
| 1,024 | " " 25 — 99 " " | 55,215 |
| 1,105 | " " 100 — 199 " " | 131,559 |
| 519 | " " 200 — 299 " " | 112,826 |
| 318 | " " 300 — 399 " " | 101,152 |
| 163 | " " 400 — 499 " " | 69,350 |
| 415 | " " 500 — 999 " " | 254,951 |
| 492 | " " 1000 — up " " | 1,741,950 |
| <u>4,451</u> | Shareholders | <u>Total Shares 2,472,384</u> |

FINANCIAL STATEMENTS

NEWFOUNDLAND LIGHT & POWER CO. LIMITED

(Incorporated under the laws of Newfoundland)

BALANCE SHEET AS AT DECEMBER 31, 1968

ASSETS

| FIXED ASSETS | 1968 | 1967 |
|--|----------------------|---------------------|
| Utility property, plant and equipment at values approved by the Board of Commissioners of Public Utilities of the Province of Newfoundland as at June 30, 1966, with subsequent additions at cost | \$ 97,422,828 | \$88,627,478 |
| DEFERRED CHARGES (Note 1) | | |
| Unamortized debt discount and expense | 800,566 | 769,086 |
| Unamortized capital stock issue expense | 94,232 | 99,649 |
| Amalgamation costs | 219,127 | 219,127 |
| Frequency conversion costs | 414,526 | 390,491 |
| Rate hearing costs, computer installation costs and other deferred charges | 289,198 | 124,106 |
| | 1,817,649 | 1,602,459 |
| SPECIAL REFUNDABLE TAX | 108,211 | 125,654 |
| CURRENT ASSETS | | |
| Cash | 124,775 | 238,834 |
| Accounts receivable | 2,707,019 | 2,560,554 |
| Income taxes recoverable | 189,769 | |
| Bonds purchased for sinking fund at cost | | 28,285 |
| Inventories of materials and supplies at average cost | 1,080,723 | 1,215,791 |
| Prepaid expenses | 79,934 | 71,039 |
| | 4,182,220 | 4,114,503 |
| | <u>\$103,530,908</u> | <u>\$94,470,094</u> |

SHAREHOLDERS' EQUITY AND LIABILITIES

| | 1968 | 1967 (Restated) |
|---|----------------------|---------------------|
| SHAREHOLDERS' EQUITY | | |
| Capital Stock (Note 2) | \$ 11,523,390 | \$11,523,390 |
| Contributed surplus—premiums received on capital stock | 1,400,374 | 1,400,374 |
| Excess of appraised value of fixed assets over net book value at dates of appraisal (Note 3) | 1,237,932 | 1,237,932 |
| Hydro production equalization reserve (deficit) (Note 4) | 80,521 | (67,320) |
| Earnings retained and invested in the business | 12,150,899 | 11,139,763 |
| | 26,393,116 | 25,234,139 |
| LONG-TERM DEBT (Note 5) | 33,302,060 | 30,738,880 |
| ACCUMULATED PROVISION FOR DEPRECIATION (Note 1) | 24,123,526 | 22,287,806 |
| CONTRIBUTIONS IN AID OF CONSTRUCTION | 1,286,529 | 1,063,801 |
| CONTRIBUTIONS—RURAL ELECTRIFICATION SYSTEM (Note 6) | 2,874,681 | 922,022 |
| DEFERRED INCOME TAXES (Note 7) | 4,822,167 | 4,732,100 |
| CURRENT LIABILITIES | | |
| Bank loans | 7,600,000 | 6,280,000 |
| Accounts payable and accrued charges | 2,014,916 | 2,212,283 |
| Interest accrued on long-term debt | 359,764 | 258,080 |
| Current installments of long-term debt | 394,000 | 367,500 |
| Income taxes payable | | 13,334 |
| Dividends payable | 360,149 | 360,149 |
| | 10,728,829 | 9,491,346 |
| | <u>\$103,530,908</u> | <u>\$94,470,094</u> |

The accompanying notes to financial statements are an integral part of this statement.

APPROVED ON BEHALF OF THE BOARD

"D. STAIRS", Director

"C. F. MALLORY", Director

NEWFOUNDLAND LIGHT & POWER CO. LIMITED

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 1968

| | 1968 | 1967 (Restated) |
|--|--------------|--------------------|
| OPERATING REVENUE | \$16,157,389 | \$15,220,295 |
| OPERATING REVENUE DEDUCTIONS | | |
| Operating expenses | 7,422,962 | 6,888,485 |
| Provision for depreciation (Note 1) | 2,551,998 | 2,355,749 |
| | 9,974,960 | 9,244,234 |
| OPERATING INCOME | 6,182,429 | 5,976,061 |
| INCOME DEDUCTIONS | | |
| Interest on long-term debt | 1,927,638 | 1,760,131 |
| Other interest | 335,013 | 240,569 |
| Interest charged to construction | (58,395) | (38,128) |
| Amortization of deferred charges (Note 1) | 88,474 | 83,939 |
| | 2,292,730 | 2,046,511 |
| INCOME BEFORE INCOME TAXES | 3,889,699 | 3,929,550 |
| PROVISION FOR INCOME TAXES (Note 7) | | |
| Current | 1,133,065 | 1,094,394 |
| Deferred | 90,066 | 211,876 |
| | 1,223,131 | 1,306,270 |
| INCOME BEFORE TRANSFER (TO) OR FROM HYDRO PRODUCTION EQUALIZATION RESERVE | 2,666,568 | 2,623,280 |
| TRANSFER (TO) OR FROM HYDRO PRODUCTION EQUALIZATION RESERVE (Note 4) | (147,841) | 67,320 |
| NET INCOME | \$ 2,518,727 | \$ 2,690,600 |

The accompanying notes to financial statements are an integral part of this statement.

STATEMENT OF RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1968

| | 1968 | 1967 (Restated) |
|--|--------------|--------------------|
| BALANCE AT BEGINNING OF YEAR | | |
| As previously reported | \$10,880,209 | \$ 9,944,691 |
| Prior years' adjustments (Note 7) | 259,554 | 41,060 |
| As restated | 11,139,763 | 9,985,751 |
| Net income for the year | 2,518,727 | 2,690,600 |
| Discount on bonds redeemed and other items | 35,209 | 21,996 |
| | 13,693,699 | 12,698,347 |
| Income tax adjustments affecting prior years | | 7,594 |
| Appraisal adjustment | | 69,500 |
| Dividends | | |
| Preference shares | 306,608 | 307,108 |
| Common shares | 1,236,192 | 1,174,382 |
| | 1,542,800 | 1,558,584 |
| BALANCE AT END OF YEAR | \$12,150,899 | \$11,139,763 |

The accompanying notes to financial statements are an integral part of this statement.

NEWFOUNDLAND LIGHT & POWER CO. LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1968

| | 1968 | 1967 (Restated) |
|---|---------------------|--------------------|
| SOURCE OF FUNDS | | |
| From operations | | |
| Net income for the year | \$ 2,518,727 | \$ 2,690,600 |
| Non-cash charges and credits | | |
| Depreciation | 2,551,998 | 2,355,749 |
| Amortization of deferred charges | 88,474 | 83,939 |
| Deferred income taxes | 90,066 | 211,876 |
| Transfer to or (from) hydro production equalization reserve | 147,841 | (67,320) |
| | <u>2,878,379</u> | <u>2,584,244</u> |
| | 5,397,106 | 5,274,844 |
| Adjustment of prior years taxes | | 16,519 |
| Discount on bonds purchased | 34,849 | 21,995 |
| Contribution in aid of construction | 309,575 | 233,120 |
| Proceeds of bond issue | 2,932,500 | |
| Increase in bank loans | 1,320,000 | 3,655,000 |
| Miscellaneous | 17,806 | 11,889 |
| | <u>10,011,836</u> | <u>9,213,367</u> |
| APPLICATION OF FUNDS | | |
| Utility, property, plant and equipment | 7,900,511 | 5,910,891 |
| Less salvage value of plant retired | 254,693 | 260,727 |
| | <u>7,645,818</u> | <u>5,650,164</u> |
| Increase in deferred charges | 236,164 | 390,491 |
| Dividends | | |
| Preferred shares | 306,608 | 307,108 |
| Common shares | 436,820 | 398,050 |
| Reduction in long-term debt | 1,236,192 | 1,174,383 |
| | <u>9,861,602</u> | <u>7,920,195</u> |
| INCREASE IN WORKING CAPITAL (Note 9) | 150,234 | 1,293,172 |
| WORKING CAPITAL AT BEGINNING OF YEAR | 903,157 | (390,015) |
| WORKING CAPITAL AT END OF YEAR | <u>\$ 1,053,391</u> | <u>\$ 903,157</u> |

The accompanying notes to financial statements are an integral part of this statement.

NEWFOUNDLAND LIGHT & POWER CO. LIMITED

NOTES TO FINANCIAL STATEMENTS

Note 1. *Amortization of deferred charges and provision for depreciation*

Deferred charges are being amortized as follows:

- Debt discount and expense—over the life of the applicable issues.
- Capital stock issue expenses—over a 25-year period to 1990.
- Amalgamation costs—over a 10-year period commencing 1969.
- Frequency conversion—over a 10-year period commencing 1969.
- Rate hearing costs, computer installation costs and other deferred charges—over varying periods within 6 years.

Depreciation is provided in the accounts at rates approved by the Board of Commissioners of Public Utilities of the Province of Newfoundland.

Note 2. *Capital Stock*

Authorized

- 1,000,000 cumulative redeemable preference shares of a par value of \$10.00 each, issuable in series.
- 3,500,000 common shares without nominal or par value.

Issued

| | | |
|-----------|--|---------------------|
| 200,000 | 5½ % cumulative redeemable preference shares Series A: redeemable at the option of the company at a premium of 5% of the par value thereof | \$ 2,000,000 |
| 350,000 | 5¼ % cumulative redeemable preference shares Series B: redeemable at the option of the company at a premium of 5% of the par value thereof | 3,500,000 |
| 21,430 | 6% cumulative redeemable preference shares Series C: redeemable at the option of the company at a premium of 6% of the par value thereof | 214,300 |
| 571,430 | preference shares | 5,714,300 |
| 2,472,384 | common shares | 5,809,090 |
| | | <u>\$11,523,390</u> |

Note 3. *Appraisal Surplus*

As at December 31, 1968, the balance of excess of appraised value of fixed assets over net book value at dates of appraisal is as follows:

| <u>Predecessor Company</u> | <u>Effective Date of Appraisal</u> | <u>Net Appraisal Value of Assets Appraised</u> | <u>Net Appraisal Surplus or Deficit</u> | <u>Name of Appraiser</u> |
|---|------------------------------------|--|---|---------------------------------------|
| Newfoundland Light and Power Company, Limited | December 31, 1948 | \$ 6,303,310 | \$ 876,623 | Montreal Engineering Company, Limited |
| United Towns Electric Company, Limited | December 31, 1961 | 16,227,349 | (3,722) | Power Corporation of Canada Limited |
| The Union Electric Light and Power Company, Limited | December 31, 1949 | | | Power Corporation of Canada Limited |
| | June 30, 1966 | 2,364,000 | 259,162 | Montreal Engineering Company, Limited |
| The Public Service Electric Company, Limited | December 31, 1965 | 160,911 | (26,445) | A. W. Finlayson, Eng. |
| The West Coast Power Company, Limited | June 30, 1966 | 3,627,256 | 132,314 | A. W. Finlayson, Eng. |
| | | | <u>\$1,237,932</u> | |

Note 4. *Hydro Production Equalization Reserve*

The power required annually to supply its customers, in excess of that generated by its own plants, is purchased by the Company. The annual output of its hydro plants varies with the natural stream-flow which in turn varies with precipitation. Regardless of the amount of their annual output, the total cost of power generated each year in the Company's hydro plants does not vary significantly. The total annual cost of power generated and purchased will thus vary depending on the precipitation. Accordingly, in 1967, by Order of the Board of Commissioners of Public Utilities of the Province of Newfoundland, the Company set up a reserve designed to equalize such variations in power cost. Transfers to or from this reserve, net of income tax, are based on the difference between the actual output of the hydro plants adjusted for normal storage variations and the output which would have occurred in a year of average natural stream-flow, the data for which has been provided from an engineering study by the Company's consultants, Montreal Engineering Company, Limited.

Note 5. *Long-Term Debt*

First mortgage sinking fund bonds:

| | | | | | | | | | |
|--|------|------|------|------|------|------|------|------|--------------|
| 3½ % Series A, due 1970 | .... | .... | .... | .... | .... | .... | .... | .... | \$ 1,500,000 |
| 5 % Series B, due 1972 | .... | .... | .... | .... | .... | .... | .... | .... | 2,323,500 |
| 4 % Series C, due 1975 | .... | .... | .... | .... | .... | .... | .... | .... | 1,340,000 |
| 5½ % Series D, due 1978 | .... | .... | .... | .... | .... | .... | .... | .... | 2,287,000 |
| 5¾ % Series E, due 1984 | .... | .... | .... | .... | .... | .... | .... | .... | 3,000,000 |
| 5½ % Series G, due 1972 | .... | .... | .... | .... | .... | .... | .... | .... | 460,000 |
| 4¾ % Series H, due 1981 | .... | .... | .... | .... | .... | .... | .... | .... | 852,500 |
| 5¾ % Series I, due 1982 | .... | .... | .... | .... | .... | .... | .... | .... | 1,758,500 |
| 5¾ % Series J, due 1983 | .... | .... | .... | .... | .... | .... | .... | .... | 1,137,500 |
| 7 % Series K, due 1985 | .... | .... | .... | .... | .... | .... | .... | .... | 1,855,000 |
| 6½ % Series L, due 1986 | .... | .... | .... | .... | .... | .... | .... | .... | 939,000 |
| 5¾ % Series M, due 1990 (U.S. \$2,432,000) | .... | .... | .... | .... | .... | .... | .... | .... | 2,626,560 |
| 4¼ % Series N, due 1974 | .... | .... | .... | .... | .... | .... | .... | .... | 805,000 |
| 5½ % Series O, due 1977 | .... | .... | .... | .... | .... | .... | .... | .... | 245,000 |
| 6¼ % Series P, due 1981 | .... | .... | .... | .... | .... | .... | .... | .... | 275,000 |
| 5 % Series Q, due 1972 | .... | .... | .... | .... | .... | .... | .... | .... | 179,500 |
| 7 % Series R, due 1986 | .... | .... | .... | .... | .... | .... | .... | .... | 4,925,000 |
| 7¾ % Series S, due 1988 | .... | .... | .... | .... | .... | .... | .... | .... | 2,953,000 |
| | | | | | | | | | <hr/> |
| | | | | | | | | | 29,462,060 |

General mortgage sinking fund bonds:

| | | | | | | | | | |
|-------------------------|------|------|------|------|------|------|------|------|-----------|
| 4½ % Series B, due 1974 | .... | .... | .... | .... | .... | .... | .... | .... | 2,154,000 |
| 5½ % Series C, due 1978 | .... | .... | .... | .... | .... | .... | .... | .... | 1,800,000 |
| | | | | | | | | | <hr/> |
| | | | | | | | | | 3,954,000 |

Obligation re purchase of property:

| | | |
|--|------|---------------------|
| Payable in nine annual installments of \$12,000 each and \$172,000 in 1978 | .... | 280,000 |
| | | <hr/> |
| | | 33,696.060 |
| Less: Current installments | .... | 394,000 |
| | | <hr/> |
| | | <u>\$33,302.060</u> |

The trust deeds securing the first mortgage and general mortgage bonds contain conditions precedent which if not met restrict the payment of dividends. As December 31, 1968, these conditions had been met.

The first mortgage and general mortgage sinking fund bonds are redeemable as provided in the respective trust deeds.

Note 6. *Contributions—Rural Electrification System*

Under agreements with the Province of Newfoundland, the Company acquired the title to certain rural systems constructed under the Provincial Rural Electrification Plan. Under similar agreements with the Government of Canada the Company acquired title to certain systems constructed by that Government.

To facilitate the accounting for the eventual retirement of these properties the original cost and accumulated depreciation computed at Company rates to the date of transfer have been added to the property accounts. The amount of \$3,014,386, being the excess of the depreciated value over the consideration, has been credited to an account titled "Contributions—rural electrification system". This account is reduced by the annual charge for depreciation provided on the contributed portion of the cost of the assets transferred.

The Province holds an option to reacquire at any time the property it so transferred.

Note 7. *Income Taxes*

Certain general overhead expenses which are capitalized in the Company's accounts are now being claimed for income tax purposes in the year incurred. As a result of this change the current income tax provision is approximately \$241,000 less than the provision that would otherwise have been charged against income in the 1968 fiscal year. The balance of retained earnings at December 31, 1967, has been restated from the amount previously reported to give retroactive effect to this change and other reductions in income taxes payable, totalling \$259,554. Of this amount \$218,494 is applicable to 1967 and has been reflected as a reduction in income tax expense for that year; the balance of \$41,060 is applicable to the 1966 fiscal period and has been added to retained earnings at January 1, 1967.

Prior to 1967, the company provided deferred income taxes on the capital cost allowances claimed in excess of the depreciation provided in its accounts. Effective January 1, 1967, the company ceased this practice to conform with an order of The Board of Commissioners of Public Utilities of the Province of Newfoundland which recognizes only the taxes actually payable after claiming maximum capital cost allowances, in setting consumer rates. Also, commencing in 1967, the company provided for deferred income taxes on certain items claimed for income tax purposes which have been deferred in the accounts.

This accounting treatment does not follow the tax allocation basis under which the income tax provision is based on earnings reported in the accounts. If the tax allocation basis had been followed the provision for deferred income taxes for the year would have increased by \$804,000 (\$641,000 in 1967) with a corresponding decrease in net earnings. The cumulative amount to December 31, 1968, by which deferred income taxes would have been so increased and the retained earnings decreased, is approximately \$2,072,000.

Note 8. *Retirement of Employees*

The Company has no guaranteed or funded pension or retirement benefit plan for its employees. However, the present practice of the Company is to pay a retirement income supplement to officers and employees charging the cost thereof to current operations, and the Company has advised them of the basis upon which such payments may be made.

Note 9. *Source and application of funds*

In the preparation of the statement of source and application the Company's bank loan has been considered to be a non-current liability.

AUDITORS' REPORT

To the Shareholders of
Newfoundland Light & Power Co. Limited

We have examined the accompanying balance sheet of Newfoundland Light & Power Co. Limited as at December 31, 1968, and the statements of income, retained earnings, and source and application of funds for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the calculations and measurements supplied by the Company in arriving at the transfer to the hydro production equalization reserve referred to in Note 4.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the Company, these financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at December 31, 1968, and the results of its operations and the source and application of its funds for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in the method of accounting for income taxes as set forth in Note 7 to the financial statements, on a basis consistent with that of the preceding year.

St. John's, Newfoundland
March 14, 1969

Montreal, P.Q.
March 14, 1969

John R. Parsons & Company
Chartered Accountants

Riddell, Stead, Graham & Hutchison
Chartered Accountants

NEWFOUNDLAND LIGHT & POWER CO. LIMITED

BALANCE SHEET AS AT AUGUST 31, 1969

ASSETS

FIXED ASSETS

Utility property, plant and equipment at values approved by the Board of Commissioners of Public Utilities of the Province of Newfoundland as at June 30, 1966, with subsequent additions at cost \$100,906,612

DEFERRED CHARGES

Unamortized debt discount and expense 778,334
 Unamortized capital stock issue expense 90,621
 Amalgamation costs 204,518
 Frequency conversion costs 391,056
 Rate hearing costs, computer installation costs and other deferred charges 249,310

1,713,839

SPECIAL REFUNDABLE TAX 64,848

CURRENT ASSETS

Cash 51,600
 Accounts receivable 2,071,808
 Bonds purchased for sinking fund at cost 21,185
 Inventories of materials and supplies at average cost 1,081,651
 Prepaid expenses 119,431

3,345,675

\$106,030,974

SHAREHOLDERS' EQUITY AND LIABILITY

SHAREHOLDERS' EQUITY

Capital stock \$ 11,523,390
 Contributed surplus—premiums received on capital stock 1,400,374
 Excess of appraised value of fixed assets over net book value at dates of appraisal 1,237,932
 Hydro production equalization reserve 226,616
 Earnings retained and invested in the business 13,077,808

27,466,120

LONG-TERM DEBT 33,408,340

ACCUMULATED PROVISION FOR DEPRECIATION 25,742,549

CONTRIBUTIONS IN AID OF CONSTRUCTION 1,521,804

CONTRIBUTIONS—RURAL ELECTRIFICATION SYSTEM 2,827,289

DEFERRED INCOME TAXES 4,805,638

CURRENT LIABILITIES

Bank loans 6,625,000
 Accounts payable and accrued charges 1,290,722
 Notes payable 1,000,000
 Interest accrued on long-term debt 539,322
 Income taxes payable 262,674
 Dividends payable 541,516

10,259,234

\$106,030,974

NEWFOUNDLAND LIGHT & POWER CO. LIMITED

STATEMENT OF INCOME

For the five years ended December 31, 1968, and eight months ended August 31, 1969

| | Years Ended December 31 | | | | | Eight Months Ended Aug. 31, |
|---|-------------------------|----------|----------|-----------|-----------|--------------------------------|
| | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 |
| Operating revenue | \$11,063 | \$12,453 | \$13,766 | \$15,220 | \$16,157 | \$12,148 |
| Operating revenue deductions | | | | | | |
| Operating expenses | 4,047 | 4,961 | 5,850 | 6,888 | 7,423 | 5,365 |
| Provision for depreciation | 1,925 | 2,070 | 2,198 | 2,356 | 2,552 | 1,839 |
| | 5,972 | 7,031 | 8,048 | 9,244 | 9,975 | 7,204 |
| Operating income | 5,091 | 5,422 | 5,718 | 5,976 | 6,182 | 4,944 |
| Income deductions | | | | | | |
| Interest on long-term debt | 1,418 | 1,528 | 1,517 | 1,760 | 1,928 | 1,283 |
| Other interest | 285 | 169 | 254 | 241 | 335 | 373 |
| Interest charged to construction | (28) | (87) | (34) | (38) | (58) | (45) |
| Amortization of deferred charges | 129 | 74 | 78 | 84 | 88 | 134 |
| | 1,804 | 1,684 | 1,815 | 2,047 | 2,293 | 1,745 |
| Income before income taxes | 3,287 | 3,738 | 3,903 | 3,929 | 3,889 | 3,199 |
| Provision for income taxes | | | | | | |
| Current | 1,116 | 1,318 | 1,425 | 1,094 | 1,133 | 1,147 |
| Deferred | 418 | 422 | 352 | 212 | 90 | (17) |
| | 1,534 | 1,740 | 1,777 | 1,306* | 1,223* | 1,130* |
| Income before transfer to or from hydro production equalization reserve | 1,753 | 1,998 | 2,126 | 2,623 | 2,666 | 2,069 |
| Transfer (to) or from hydro production equalization reserve | — | — | — | 67 | (148) | (146) |
| | \$ 1,753 | \$ 1,998 | \$ 2,126 | \$ 2,690* | \$ 2,518* | \$ 1,923* |

The above figures have been adjusted to permit direct comparison up to the end of 1966. By Order of the Board of Commissioners of Public Utilities, the Company's accounting procedures were changed as from January 1, 1967, as shown in Notes 4 and 7 to the financial statements December 31, 1968. For this reason the figures marked with asterisks (*) are not comparable with the corresponding figures prior to 1967.

TORONTO STOCK EXCHANGE TORONTO

BULLETIN NO. 7418

November 13, 1969

NEW LISTING

NEWFOUNDLAND LIGHT & POWER CO. LIMITED

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Application has been granted for the listing in the industrial category of 2,472,384 common shares without par value, all of which are issued and outstanding.

The shares will be posted for trading at the opening on Wednesday, November 19th, 1969.

Stock Symbol "NFL"; Post Section 10: Dial Quotation Number 2316.

Listing Statement No. 2407 is being prepared. The following is some of the information that will be in this Statement:-

Incorporated - The company was formed on September 8, 1966, by a certificate of amalgamation under The Companies Act (Newfoundland) of Newfoundland Light and Power Company, Limited ("Newfoundland Light"), The Union Electric Light and Power Company, Limited ("Union Electric"), United Towns Electric Company, Limited ("United Towns"), The Public Service Electric Company, Limited ("Public Service"), and the West Coast Power Company, Limited ("West Coast") pursuant to an Amalgamation Agreement dated June 2, 1966, and approved by the Supreme Court of the Province of Newfoundland by an Order of the Honourable Mr. Justice Puddester dated September 6, 1966.

Head Office - Kenmount Road, St. John's, Newfoundland

Nature of Business - The company and its predecessors have been engaged in the production and sale of electricity in the Province of Newfoundland since 1900. It holds all the rights and franchises granted the predecessor companies and distributes electricity in areas containing approximately 75% of the population of the Province.

Transfer Agent

& Registrar - Montreal Trust Company, St. John's, Halifax, Montreal, Toronto, Calgary and Vancouver.

Officers -

| | |
|--|--|
| Chairman of the Board | - D. Stairs, Montreal, P.Q., Chairman - Montreal Engineering Company, Ltd. |
| President | - A. Bailey, Port Union, Newfoundland |
| Executive Vice-President | - C. F. Mallory, Montreal 217, P.Q., Vice- President, Montreal Engineering Co., Ltd. |
| General Manager | - D. S. Templeton, St. John's, Newfoundland |
| Comptroller and Assistant Secretary-Treasurer | - F. C. Palmer, Montreal 201, P.Q., Assistant Secretary, Montreal Engineering Co., Ltd. |
| Secretary | - J. B. O'Keefe, St. John's, Newfoundland |
| Treasurer | - G. J. Adams, St. John's, Newfoundland |

Directors - D. Stairs, A. Bailey, C. F. Mallory, and the following:-

V. A. Airnsworth, St. John's, Newfoundland, Retired
A. D. Cameron, St. Lambert, P.Q., Civil Engineer, Montreal Engineering Co. Ltd.
H. Collingwood, St. John's, Newfoundland, President, Baine, Johnston & Co. Ltd.
A. S. Gordon, Westmount, Quebec, President, Royal Securities Corp. Ltd.
A. W. Howard, Town of Mount Royal, P.Q., President, Calgary Power Ltd.
D. C. Hunt, Q.C., St. John's, Newfoundland, Barrister and Solicitor
R. E. Innes, St. John's, Newfoundland, Chairman of the Board, R. E. Innes Ltd.
B. D. Parsons, St. John's Newfoundland, Retired
E. A. Pratt, St. John's, Newfoundland, Chairman, Steers Limited
J. E. Rorke, Newfoundland, Managing Director, The Rorke Fish & Coal Co., Ltd.

Capitalization - As at September 26, 1969

| | <u>Authorized</u> | <u>Issued and Outstanding</u> | <u>To be Listed</u> |
|--|-------------------|-----------------------------------|---------------------|
| SHARE CAPITAL | | | |
| Cumulative redeemable preference shares of a par value of \$10.00 each, issuable in series | 1,000,000 | | |

.... Cont'd

Capitalization Cont'd

| | <u>Authorized</u> | <u>Issued and Outstanding</u> | <u>To be Listed</u> |
|--|-------------------|-----------------------------------|---------------------|
| 5-1/2% Series "A" redeemable at the option of the company at a premium of 5% of the par value thereof | | 200,000 | |
| 5-1/4% Series "B" redeemable at the option of the company at a premium of 5% of the par value thereof | | 350,000 | |
| 6% Series "C" redeemable at the option of the company at a prem- ium of 6% of the par value thereof | | 21,430 | |
| | <u>1,000,000</u> | <u>571,430</u> | <u>Nil</u> |
| Common shares without nominal or par value | <u>3,500,000</u> | <u>2,472,384</u> | <u>2,472,384</u> |

FUNDED DEBT

| | |
|--|-------------------|
| First mortgage sinking fund bonds | \$29,248,340 |
| General mortgage sinking fund bonds | 3,904,000 |
| Sundry indebtedness | 256,000 |
| | <u>33,408,340</u> |

Earnings - Years ended December 31st

| | | |
|------------------------------|---|-------------|
| 1964 | - | \$1,753,000 |
| 1965 | - | 1,998,000 |
| 1966 | - | 2,126,000 |
| 1967 | - | 2,690,000 |
| 1968 | - | 2,518,000 |
| 8 months ended Aug. 31, 1969 | - | 1,923,000 |

Dividends -

| | <u>1968</u> | <u>1967</u> | <u>1966</u> | <u>1965</u> | <u>1964</u> | <u>1963</u> | <u>1962</u> | <u>1961</u> | <u>1960</u> | <u>1959</u> |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Common | | | | | | | | | | |
| Present company | \$0.50 | 0.475 | 0.10 | | | | | | | |
| Predecessor Companies | | | | | | | | | | |
| Newfoundland Light | | | 0.30 | 0.36 | 0.28 | 0.24 | 0.24 | 0.21 | 0.20 | 0.185 |
| Union Electric | | | 1.167 | 1.00 | 1.00 | 0.70 | 0.70 | 0.70 | 0.50 | 0.50 |
| United Towns | | | 0.533 | 0.70 | 0.50 | 0.50 | 0.40 | 0.80 | 0.80 | 0.80 |

Preferred dividends have been paid as they came due and in their stated amounts each year since the date of issue.

Subsidiaries - Newfoundland Electric Company Limited
Newfoundland Industries Limited - (both inactive)

Listing on other Exchanges - Listed on Montreal Stock Exchange in September, 1966

BY ORDER OF THE BOARD OF GOVERNORS

J. R. KIMBER
President

